

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Labor and Employment
Priority Number:	3 of 3
Change Request Title:	Technical Petroleum Storage Tank Indirect Cost Adjustment

SELECT ONE (click on box):

- ☐ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☒ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☐ Not a Supplemental or Budget Request Amendment
☐ An emergency
☒ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is to correct a technical omission and for an increase of \$1,625 in Cash Funds to the Legal Services line item within the Executive Director's Office (EDO). HB 07-1228 appropriated funds from the Petroleum Storage Tank fund to cover Legal Service Costs of implementing this legislation. The Petroleum Storage Tank Fund expenditures within the Executive Director's Office are funded through an Indirect Cost Assessment line item within the Division of Oil and Public Safety. The Appropriation's clause within HB 07-1228 omitted the required corresponding Cash Funds appropriation to the EDO Legal Services line item that funds the appropriation of \$1,625 in legal services as noted within the fiscal note.

Background and Appropriation History:

SB 05-039 established the Petroleum Storage Tank Fund as an Enterprise Fund for TABOR purposes. As an Enterprise Fund, direct Petroleum Storage Tank Fund expenditures are considered Cash Funds Exempt (non-TABOR). However, when the Petroleum Storage Tank Fund is appropriated to cover internal indirect costs within the Department of Labor and Employment and other centrally appropriated expenditures, the

funds cross district boundaries and become Cash Funds revenue. The appropriation's clause in HB 07-1228 only appropriated the cash funds exempt portion of the legislation and omitted the corresponding cash funds appropriation in the EDO.

General Description of Request:

HB 07-1228 appropriated additional legal services dollars to the Department of Labor and Employment to cover anticipated legal expenses derived from the implementation of the requirements of the legislative actions. HB 07-1228 was supposed to increase the legal services line item within the Executive Director's Office by \$1,625 in Cash Funds spending authority from the Petroleum Storage Tank Fund. HB 07-1228 omitted this required increase. This request is for an increase of \$1,625 in the Legal Services line item within the Executive Director's Office. This will make the amount from the Petroleum Storage Tank Fund appropriated in the Executive Director's Office equal to the Indirect Cost Assessment line item in the Division of Oil and Public Safety.

Consequences if Not Funded:

Without this request the amount of funds appropriated in the Executive Director's Office from the Petroleum Storage Tank Fund will not match the amount of funds appropriated in the Indirect Cost line in the Division of Oil and Public Safety and the legal services costs associated with HB 07-1228 will not be appropriated. These two lines are intended to be identical as the amount in the indirect line funds the amount appropriated in the Executive Director's Office. This request will enable the Division of Oil and Public Safety to cover the estimated expenses in legal services and correct a technical error.

Calculations for Request:

Summary of Request FY 07-08	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$1,625	\$0	\$1,625	\$0	\$0	0.0
Legal Services – Executive Director’s Office	\$1,625	\$0	\$1,625	\$0	\$0	0.0

These funds shall be from the Petroleum Storage Tank Fund (Cash Funds Exempt)

Assumptions for Calculations:

The appropriation in the EDO for implementation of HB 07-1228 should be equal to \$1,625. This is the requested increase in the legal services line item to cover this cost.

Impact on Other Government Agencies:

None. This is an internal correction to appropriate the legal service costs as shown in the fiscal note. The legal service costs to the Department of Law were correctly appropriated within HB 07-1228.

Cost Benefit Analysis:

This is a technical correction.

Implementation Schedule:

Task	Month/Year

Statutory and Federal Authority: This is a technical correction.

Performance Measures: This is a technical correction.